



Norman H. Bangert
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

February 4, 1992

TO: Minerals File

FROM: Holland Shepherd, Senior Reclamation Specialist and *HL*
Tony Gallegos, Reclamation Engineer *dd*

RE: Meeting, Magnesium Corporation of America (Mag Corp), Rowley
Magnesium Facility Mine, M/045/008, Tooele County, Utah

Date of Meeting: February 4, 1992
Time: 10:00 a.m. - 11:30 a.m.
Participants: Lee Brown, Mag Corp; Tony Gallegos and Holland Shepherd, DOGM

This meeting was held to discuss the status of the operator's surety as it relates to the current site disturbance. The disturbed area was evaluated in 1979, but has not been re-evaluated since then.

The Division approved a surety in 1979 for the Rowley Magnesium Facility site, for the amount of \$15,278. The surety life was projected forward for 5 years (1984). The surety was transferred in 1990 from Amax Magnesium to Mag Corp, using the same figure. The surety was not re-evaluated or adjusted at that time. The Division is asking that the surety now be re-evaluated and that the operator assist us in doing so. Recent annual reports have indicated that the area disturbed for oolite mining has increased from 15 acres to 25 acres.

The current surety (\$15,278) covers only areas disturbed for oolite mining and does not cover the Rowley plant site. The plant site, consisting of some 70-80 acres of disturbance, was never included under the original permit. The plant consists of many buildings, office facilities, warehouses, generating facilities, process buildings, holding tanks, holdings ponds, furnace/incinerator facilities, 35 acre evaporation pond, bone yards, roads, parking lots, etc. Reclamation of the plant site would add a substantial dollar amount to the existing surety if included. The Rowley plant is located in Section 10, T2N, R8W and takes up almost one half the section.

Page 2
Memo of File
Rowley Magnesium Facility
M/045/008
February 4, 1992

We spoke with Mr. Lee Brown, Mag. Corp's Environmental Manager, about including the plant site in the reclamation surety. He indicated that it would be very expensive, if not impossible, for Mag Corp to bond the plant site at this point in time. He also indicated that Mag Corp would protest such inclusion.

Mr. Brown informed us that a small area, which originally included some facilities associated with the mine and addressed in the Rowley facility bond, is no longer controlled by Mag Corp. It has become part of AKZO's operation.

Mr. Brown indicated that if the plant site was included in the overall mine permit, a very strong argument for leaving it as an industrial site for post-mine use could be made. It is set up with thousands of dollars invested in the utility infrastructure (gas and electric). An 8-inch natural gas line and large power lines service the site.

According to Mr. Brown, the acreage disturbed by oolite mining is very sandy, and sparsely vegetated. Full scale reclamation may not be necessary or economically feasible in these areas. Simple regrading of these areas may be adequate.

We agreed that a site visit would be necessary to accurately assess the current surety requirements. A tentative inspection has been scheduled for Friday, March 13, 1992, at 9:00 a.m. at the Rowley facilities. This time should be confirmed by the end of February.

jb
cc: Mr. Lee Brown, Mag. Corp.
Wayne Hedberg, DOGM
M045008